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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

ASSOCIATED DRAPERY & EQUIPMENT CO. CORP.
d/b/a Novelty Scenic Studios,

Chapter 11
Case No. 11- 37116 (CGM)

Debtor.
-----X

DECLARATION OF FEIVEL WEISS
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2

STATE OF NEW YORK)
) SS.:
COUNTY OF WESTCHESTER)

Feivel Weiss, being duly sworn deposes and says:

1. I am the president and sole shareholder of Associated Drapery & Equipment Co. Corp. d/b/a Novelty Scenic Studios (the "Debtor"). As such, I am familiar with the Debtor's operations, businesses and financial affairs.

2. I submit this affidavit pursuant to Rule 1007(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 1007-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules").

Local Rule 1007-2(a)(1)

3. In June 2005, I purchased the Debtor from its prior owners who had successfully operated the business since 1920. The Debtor designs, manufactures and installs large-scale curtains for theater stages and windows. The Debtor also provides related services, such as

drapery cleaning. The Debtor's office address and its design and manufacturing premises are both located in Monroe, NY.

4. Historically, the Debtor's business originated by manufacturing the drops for the Vaudeville theaters and then expanded into Stage Curtains and Rigging for public and Private schools and. In 2007, the New York City entered into a Project Labor Agreement (PLA) with certain Construction Union and thud required the Debtor to use other union Journeymen for the curtain installation process in the public school auditoriums and theaters even thought Debtor's business was a Union Shop and had a ongoing Collective Bargaining Agreement with United Steelworker of Amerrice, Local 8228 . Thus, in April 2008, the Debtor entered into a Jobsite Agreement (the "Union Contract") with the Architectural and Ornamental Iron Workers Local Union No. 580 (the "Union") to provide services at a public school located at 900 East 228th Street, Bronx, NY 10466.

5. In April 2009, I learned that the Union was asserting the right to collect fringe benefits for all projects the Debtor worked on since 2008, not just the work specified in the Union Contract. Needless to say, I was completely surprised by the Union's claim. The Union Contract listed only one specific project, not all of the Debtor's projects and all of the Debtor's workers. To avoid any additional Union claims, in June 2010, the Debtor ceased doing any work for the New York City school system.

6. In June 2011, the Union served the Debtor with a Notice of Arbitration¹ seeking approximately \$158,000 in fringe benefit contributions, \$26,000 in interest and \$18,400 in additional interest, \$46,000 for attorney fees, \$36,700 in liquidated damages, and \$1,400 for an arbitrator fee, for a total due of approximately \$286,500. The Debtor simply does not have the funds to pay the Union's claim, and hopes to resolve the claim in this chapter 11 case.

¹ The arbitration is captioned *Local Union 580 of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers and Trustee of Local Union 580 of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Employee Benefits funds v. Novelty Scenic Studios*.

7. In addition, the Debtor owes approximately \$117,000 to the IRS which has filed tax liens. The Debtor has been working with its accountant to propose a payment plan to the IRS, which it hopes to resolve within this chapter 11 case.

8. The Debtor also wishes to resolve certain unsecured debt associated with its move last year from Long Island to Orange County, including rent arrears alleged due to the prior landlord and some vendor debt.

9. The Debtor filed this Chapter 11 to reach a payment plan with the IRS, to resolve the Union claim, and to arrange payment of its debts through the chapter 11 plan process. The Debtor also hopes to negotiate a modification of terms with the Union, so the Debtor will be able to accept New York City public school jobs in the future.

Local Rule 1007-2(a)(2)

10. This case was not originally commenced under Chapter 7 or 13 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code").

Local Rule 1007-2(a)(3)

11. Upon information and belief, no committee or professionals were employed prior to the filing of the Order for relief.

Local Rule 1007-2(a)(4)

12. A list of the holders of the 20 largest general unsecured claims, excluding insiders, is annexed hereto as **Exhibit "A"**.

Local Rule 1007-2(a)(5)

13. A list of the holders of the 5 largest secured claims, excluding insiders, is annexed hereto as **Exhibit "B"**.

Local Rule 1007-2(a)(6)

14. A summary of the Debtor's estimated assets and liabilities is annexed hereto as

Exhibit "C".

Local Rule 1007-2(a)(7)

15. There are no publicly held securities of the Debtor.

Local Rule 1007-2(a)(8)

16. None of the Debtor's property is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor, or agent for any such entity.

Local Rule 1007-2(a)(9)

17. The Debtor operates its business from its office premises at 11 Sasev Court, #204, Monroe, New York.

Local Rule 1007-2(a)(10)

18. The Debtor's substantial assets are located at its office, 11 Sasev Court, #204, Monroe, New York, its design and manufacturing premises, 3 Kosnitz Road, #111, Monroe, NY 10950, and its storage trailer at 1117 Route 17, Monroe, New York 10950.

Local Rule 1007-2(a)(11)

19. The following arbitration proceeding is the only action or proceedings are pending against the Debtor:

Local Union 580 of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers and Trustee of Local Union 580 of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Employee Benefits funds v. Novelty Scenic Studios

Local Rule 1007-2(a)(12)

20. The Debtor's senior management consists of its president, Feivel Weiss.

Local Rule 1007-2(b)(1) and (2)

21. The Debtor's estimated payroll to employees for the thirty (30) day period following the Chapter 11 petition is \$1,000.00.

22. The estimated amount to be paid for services to its officers and directors for the thirty (30) day period following the filing of the Chapter 11 petition is \$2,400.00

Local Rule 1007-2(b)(3)

23. A 30-day budget is annexed hereto as **Exhibit "D"** and is also submitted pursuant to the requirements of a small business debtor as set forth in 11 U.S.C. §1116.

Dated: Monroe, New York
July 18, 2011

I hereby certify and declare, under penalty of perjury, pursuant to 28 U.S.C. §1746, that the foregoing statements are true and correct to the best of my knowledge,

/s/ Feivel Weiss

Feivel Weiss, President

EXHIBIT A

United States Bankruptcy Court
Southern District of New York

In re Associated Drapery and Equipment Co. Corp.

Debtor(s)

Case No.

Chapter

11

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Local Union No. 580 501 West 42nd Street New York, NY 10036	Local Union No. 580 501 West 42nd Street New York, NY 10036	Union Dues	Unliquidated Disputed	286,484.88
Lee Kessler 882 Verona Drive Melville, NY 11747	Lee Kessler 882 Verona Drive Melville, NY 11747	Loan		65,391.88
Howard Kessler 3018 Lee Place Bellmore, NY 11710	Howard Kessler 3018 Lee Place Bellmore, NY 11710	Loan		59,614.44
G&T Calo Realty 40 Seacliff Avenue Glen Cove, NY 11542	G&T Calo Realty 40 Seacliff Avenue Glen Cove, NY 11542	Prior Landlord's Judgement for Rent Arrears for Prior Location	Disputed	25,000.00
Arkwin Home Products 31 Spencer Street Brooklyn, NY 11205	Arkwin Home Products 31 Spencer Street Brooklyn, NY 11205	Vendor		19,445.36
Fred Kreiger & Co., Inc. 420 Jericho Turnpike #105 Jericho, NY 11753	Fred Kreiger & Co., Inc. 420 Jericho Turnpike #105 Jericho, NY 11753			11,601.42
Robert Rojas 18 Garden Avenue Carle Place, NY 11514	Robert Rojas 18 Garden Avenue Carle Place, NY 11514	Medical Expense		10,000.00
City of Glen Cove 9 Glen Street Glen Cove, NY 11542	City of Glen Cove 9 Glen Street Glen Cove, NY 11542	Utility Debt		9,776.92
Bluebook Advertising P.O. Box 500 Jefferson Valley, NY 10535	Bluebook Advertising P.O. Box 500 Jefferson Valley, NY 10535	Advertising Services		5,107.00
Jays Interiors, Inc. 14 Melnick Drive Monsey, NY 10952	Jays Interiors, Inc. 14 Melnick Drive Monsey, NY 10952	Subcontractor Services		4,290.81
Automatic Devices Company 2121 South 12th Street Allentown, PA 18103	Automatic Devices Company 2121 South 12th Street Allentown, PA 18103			2,000.00
Nicks Auto Repair Shop 85 Sea Cliff Avenue Glen Cove, NY 11542	Nicks Auto Repair Shop 85 Sea Cliff Avenue Glen Cove, NY 11542	Gasoline Provided		1,820.18

In re Associated Drapery and Equipment Co. Corp.

Case No. _____

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
LIPA P.O. Box 9039 11802-9686	LIPA P.O. Box 9039 11802-9686	Utility Debt		1,657.39
Quality Decorating 320 Roebling Street, Suite 123 Brooklyn, NY 11211	Quality Decorating 320 Roebling Street, Suite 123 Brooklyn, NY 11211	Vendor		1,136.00
Heller, Horowitz & Feit, P.C. 292 Madison Avenue New York, NY 10017	Heller, Horowitz & Feit, P.C. 292 Madison Avenue New York, NY 10017	Legal Fees		1,130.84
Decrotex CIT Group Commercial Services P.O. Box 1036 Charlotte, NC 28201-1036	Decrotex CIT Group Commercial Services P.O. Box 1036 Charlotte, NC 28201-1036			1,021.36
Verizon PO Box 15124 Albany, NY 12212-5124	Verizon PO Box 15124 Albany, NY 12212-5124	Telecommunication Services	Disputed	815.00
Meltzer, Lippe, Goldstein & Breitstone 190 Willis Avenue Mineola, NY 11501	Meltzer, Lippe, Goldstein & Breitstone 190 Willis Avenue Mineola, NY 11501	Legal Fees		702.00
Dazion, LLC 18 Central Blvd. South Hackensack, NJ 07606	Dazion, LLC 18 Central Blvd. South Hackensack, NJ 07606			611.40
Abraham Borenstein & Associates 155 Morris Avenue Springfield, NJ 07081	Abraham Borenstein & Associates 155 Morris Avenue Springfield, NJ 07081	Legal Fees		500.00

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date July 19, 2011Signature /s/ Feivel Weiss

Feivel Weiss

President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

EXHIBIT B

In re Associated Drapery and Equipment Co. Corp.

Case No. _____

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D W I F E J O I N T C O M M U N I T Y	D A T E C L A I M W A S I N C U R R E D, N A T U R E O F L I E N, A N D D E S C R I P T I O N A N D V A L U E O F P R O P E R T Y S U B J E C T T O L I E N	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	A M O U N T O F C L A I M W I T H O U T D E D U C T I N G V A L U E O F C O L L A T E R A L	U N S E C U R E D P O R T I O N, I F A N Y
Account No.			Tax Liens for 2007 - Present					
Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101-7346								
			Value \$ 0.00				117,046.60	0.00
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Subtotal (Total of this page)							117,046.60	0.00
Total (Report on Summary of Schedules)							117,046.60	0.00

0 continuation sheets attached

EXHIBIT C

Associated Drapery & Equipment
Balance Sheet
As of July 18, 2011

	<u>Jul 18, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
Key Bank (Key Bank)	315.00
Total Checking/Savings	315.00
Accounts Receivable	
accounts receivable (Sales Tax)	39,415.00
Total Accounts Receivable	39,415.00
Other Current Assets	
inventory	800.00
machinery	1,000.00
security deposit	125.00
Total Other Current Assets	1,925.00
Total Current Assets	41,655.00
Fixed Assets	
TOTAL ASSETS	<u><u>41,655.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	285,000.00
Total Accounts Payable	285,000.00
Other Current Liabilities	
HK	59,000.00
LK	44,000.00
Kalmen Weiss	214,000.00
2100 - Payroll Liabilities	114,000.00
Total Other Current Liabilities	431,000.00
Total Current Liabilities	716,000.00
Total Liabilities	716,000.00
Equity	
CAPITAL	-674,345.00
Total Equity	-674,345.00
TOTAL LIABILITIES & EQUITY	<u><u>41,655.00</u></u>

EXHIBIT D

Expense & Income Budget August 2011

Personnel	Budget
Office	\$2,400.00
Employees	\$1,000.00
Operating	Budget
Delivery costs	\$100.00
Employee benefits	\$270.00
Insurance	\$700.00
Interest	
Legal and auditing	
Maintenance and repairs	
Office supplies	\$100.00
Postage	\$100.00
Rent or mortgage	\$2,500.00
Sales expenses	
Storage	\$200.00
Supplies	
Taxes	
Telephone	\$450.00
Utilities	\$100.00
Other	
Total Expenses	Budget
	\$7,920.00

Sales	\$10,000.00
Total Income	\$10,000.00
Total Expenses	7,920
Net Profit	\$2,080.00
Net Profit	Budget
	\$2,080.00